ASITE Limited
Annual Report and
Consolidated Financial Statements
For the year ended 30 June 2016

CONTENTS

for the year ended 30 June 2016

COMPANY INFORMATION

for the year ended 30 June 2016

CHAIRMAN
Mr Walter Goldsmith

CHIEF EXECUTIVE
Mr Tony Ryan

DIRECTORS
Mr Walter Goldsmith
Mr Robert Tchenguiz
Mr Nathan Doughty
Mr Tony Ryan
Mr Timothy Smalley

COMPANY SECRETARY
Mr Nathan Doughty

REGISTERED OFFICE
G.02 Albert House
Old Street
London
EC1V 9DD

SOLICITORS
Kemp Little LLP
Cheapside House
138 Cheapside
London
EC2V 6BJ

BANKERS
HSBC Bank plc

AUDITORS
Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
46-48 East Smithfield
London
E1W 1AW

The directors present their strategic report for the year ended 30 June 2016.

Fair review of the business
I am pleased to report that the group continued its growth on the performance of 2015. For the twelve months ended 30 June 2016 revenue increased by 14.3% to £6,046,697 (2015 - £5,288,903). Operating profit for the period increased by 31.1% to £992,695 (2015 - £757,259).

When taking into consideration the cost of opening up new operations, I am particularly buoyed by the operating profit result of the business. This gives the Group great scope for growth to the top line going forward. Our cost base is now so well structured that almost all of our investment will be focused on Sales & Marketing and M&A activity.

We continue to expand into new markets whilst expanding our product and service base in line with our growing number of clients and the requirements they bring. We have continued to invest in new offices, namely in Africa and the Middle East, to boost our global footprint and revenues.

Principal risks and uncertainties
We undertake a continuous risk review strategy of our operations and continue to implement appropriate mitigation strategies for those risks which we have assessed as critical to the on-going operations of the group. Significant risks identified cover recruitment and retention of key staff, system performance, technology obsolescence, client base plurality, product diversity and regulatory environment. The group continues to monitor these risks and to update and amend mitigating strategies as appropriate.

Approved by the Board on 1 March 2017 and signed on its behalf by:

Mr Tony Ryan
Chief executive

DIRECTORS' REPORT

for the year ended 30 June 2016

The directors present their report and the consolidated financial statements for the year ended 30 June 2016.

Directors of the group
The directors who held office during the year were as follows:

Mr Walter Goldsmith - Chairman

Mr Robert Tchenguiz

Mr Nathan Doughty - Company secretary and director

Mr Tony Ryan - Chief executive

Mr Timothy Smalley

Principal activity
The principal activity of the group is to provide collaborative Software as a Service (SaaS) to the Architectural, Engineering and Construction (AEC) industry to promote successful supply chain collaboration.

Financial instruments

Objectives and policies

The group is exposed to price risk, credit risk, liquidity risk and cash flow risk. The directors review risk management strategies regularly.

Price risk, credit risk, liquidity risk and cash flow risk

Price
The group has minimal exposure to price risk as all prices are pre-set by management.

Credit
The group is exposed to credit risk and management ensure credit checks are completed on all new customers and chase debts on a regular basis once they become overdue.

Liquidity
The group's exposure to liquidity risk is minimal as the group has adequate net current assets.

Cashflow
The group is exposed to cash flow risk as a result of the timing between paying suppliers and the receipt of money from customers and management manage this through regular review.

Foreign currency
The group is exposed to foreign currency risk through its investment in Asite Solutions Private Limited (Asite India). Asite India provides development and maintenance services to the Asite platform. Save for loan finance provided by R20 Limited of which Mr Robert Tchenguiz is a director, Asite Limited has no borrowings, accordingly interest rate risk, in this regard is minimal. The group's policies for mitigating these risks are outlined in the notes to the financial statements.

Research and development
The group continues to invest in research and development in the field of collaborative Supply Chain Management (cSCM) Software. Research and development costs incurred during the year to 30 June 2016 totalled £732,700 (2015 - £1,009,751), of which £732,700 (2015 - £477,790) of development costs were capitalised. The directors regard investment in this area as a prerequisite for success in the medium to long term future.

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Creditor payment policy
The group does not have a policy to follow any code or standard on payment practice. However, the group will continue to settle the terms of payment with its suppliers and, when agreeing the terms of each transaction, will ensure that those suppliers are aware of the terms of payment and will abide by those terms of payment, unless subsequently renegotiated. Group trade payables outstanding at 30 June 2016 represented 28 days (2015 - 41 days) trade purchases. Company trade payables outstanding at 30 June 2016 represented 53 days (2015 - 93 days) trade purchases. This is calculated as the weighted average trade creditors at 30 June 2016

Going concern
The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason the financial statements continue to adopt the going concern basis.

Important non adjusting events after the financial period
After the reporting date Asite Limited incorporated a new subsidiary, Asite Australia.

Directors liabilities
Directors' and officers' liability insurance has been purchased by the group during the year. The company’s Articles of Association provide, subject to the provision of UK legislation, an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers. This includes any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted or alleged to have been done or omitted, by them as officers or employees of the company. Appropriate directors’ and officers’ liability insurance cover is in place in respect of all of the company’s directors.

Disclosure of information to the auditor
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 1 March 2017 and signed on its behalf by:

Mr Tony Ryan
Chief Executive

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

We have audited the financial statements of Asite Limited for the year ended 30 June 2016, set out on pages 7 to 32. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor
As explained more fully in the Statement of Directors' Responsibilities (set out on page 5), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 30 June 2016 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and Directors Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Milsted Langdon LLP.

Mr Nigel Fry (Senior Statutory Auditor)
For and on behalf of Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
46-48 East Smithfield, London E1W 1AW

2 March 2017

CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2016

	Note	2016 £	2015 £
REVENUE	**3**	**6,046,697**	5,288,903
Cost of sales		**(798,116)**	(1,136,810)
GROSS PROFIT		**5,248,581**	4,152,093
Distribution costs		**(671,856)**	(540,171)
Administrative expenses		**(3,581,311)**	(2,854,663)
Other losses	**4**	**(2,719)**	–
OPERATING PROFIT		**992,695**	757,259
Finance costs		**(84,654)**	(66,831)
PROFIT BEFORE TAX		**908,041**	690,428
Income tax receipt	**10**	**48,656**	35,424
Profit for the year		**956,697**	725,852
PROFIT/(LOSS) ATTRIBUTABLE TO:			
Owners of the company		**956,697**	725,852

The above results were derived from continuing operations.

The notes on pages 15 to 32 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2016

	Note	2016 £	2015 £
Profit for the year		**956,697**	725,852
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation gains/(losses)		**36,302**	–
Total comprehensive income for the year		**992,999**	725,852
Total comprehensive income attributable to:			
Owners of the company		**992,999**	725,852

The notes on pages 15 to 32 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Note	2016 £	2015 £
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	**11**	**280,952**	300,467
Intangible assets	**12**	**1,179,695**	513,276
Deferred tax assets	**10**	**30,000**	30,000
Investments		**13,985**	–
		1,504,632	843,743
CURRENT ASSETS			
Trade and other receivables	**15**	**2,185,251**	1,884,170
Income tax asset	**15**	**227,531**	312,119
Cash and cash equivalents	**16**	**494,991**	516,302
		2,907,773	2,712,591
TOTAL ASSETS		**4,412,405**	3,556,334
EQUITY AND LIABILITIES			
EQUITY			
Share capital	**17**	**(18,774,564)**	(18,774,564)
Share premium		**(2,441,592)**	(2,441,592)
Retained earnings		**19,604,515**	20,597,514
Equity attributable to owners of the company		**(1,611,641)**	(618,642)
NON-CURRENT LIABILITIES			
Loans and borrowings	**18**	**(970,000)**	(1,210,000)
Deferred tax liabilities	**10**	**(11,476)**	(13,299)
		(981,476)	(1,223,299)
CURRENT LIABILITIES			
Trade and other payables	**22**	**(911,128)**	(864,039)
Loans and borrowings	**18**	**(240,000)**	(240,000)
Deferred income		**(668,160)**	(610,354)
		(1,819,288)	(1,714,393)
Total liabilities		**(2,800,764)**	(2,937,692)
Total equity and liabilities		**(4,412,405)**	(3,556,334)

The notes on pages 15 to 32 form an integral part of these financial statements.

Approved by the Board on 1 March 2017
and signed on its behalf by:

Mr Tony Ryan
Chief Executive

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

Registration Number 02004015	Note	2016 £	2015 £
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiaries, joint ventures and associates	**13**	**65,094**	65,094
Other non-current financial assets	**14**	**694,088**	904,602
Deferred tax assets	**10**	**30,000**	30,000
		789,182	999,696
CURRENT ASSETS			
Trade and other receivables	**15**	**252,435**	265,000
Cash and cash equivalents	**16**	**159**	12,605
		252,594	277,605
TOTAL ASSETS		**1,041,776**	1,277,301
EQUITY AND LIABILITIES			
EQUITY			
Share capital	**17**	**(18,774,564)**	(18,774,564)
Share premium		**(2,441,592)**	(2,441,592)
Retained earnings		**21,426,097**	21,433,303
Total equity		**209,941**	217,147
NON-CURRENT LIABILITIES			
Loans and borowings	**18**	**(970,000)**	(1,210,000)
CURRENT LIABILITIES			
Trade and other payables	**22**	**(41,717)**	(44,448)
Loans and borrowings	**18**	**(240,000)**	(240,000)
		(281,717)	(284,448)
Total liabilities		**(1,251,717)**	(1,494,448)
Total equity and liabilities		**(1,041,776)**	(1,277,301)

The notes on pages 15 to 32 form an integral part of these financial statements.

Approved by the Board on 1 March 2017
and signed on its behalf by:

Mr Tony Ryan
Chief Executive

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

	Share capital £	Share premium £	Retained earnings £	Total £	Total equity £
At 1 July 2015	18,774,564	2,441,592	(20,597,514)	618,642	618,642
Profit for the year	–	–	956,697	956,697	956,697
Other comprehensive income	–	–	36,302	36,302	36,302
Total comprehensive income	–	–	992,999	992,999	992,999
At 30 June 2016	**18,774,564**	**2,441,592**	**(19,604,515)**	**1,611,641**	**1,611,641**

	Share capital £	Share premium £	Retained earnings £	Total £	Total equity £
At 1 July 2014	18,774,564	2,441,592	(21,323,366)	(107,210)	(107,210)
Profit for the year	–	–	725,852	725,852	725,852
Total comprehensive income	–	–	725,852	725,852	725,852
At 30 June 2015	**18,774,564**	**2,441,592**	**(20,597,514)**	**618,642**	**618,642**

The notes on pages 15 to 32 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2016

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 July 2015	18,774,564	2,441,592	(21,433,303)	(217,147)
Profit for the year	–	–	7,206	7,206
Total comprehensive income	–	–	7,206	7,206
At 30 June 2016	**18,774,564**	**2,441,592**	**(21,426,097)**	**(209,941)**

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 July 2014	18,774,564	2,441,592	(21,373,968)	(157,812)
Loss for the year	–	–	(59,335)	(59,335)
Total comprehensive income	–	–	(59,335)	(59.335)
At 30 June 2015	**18,774,564**	**2,441,592**	**(21,433,303)**	**(217,147)**

The notes on pages 15 to 32 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

Company Number 02004015

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		**956,697**	725,852
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	**5**	**146,068**	112,430
Loss on disposal of property, plant and equipment	**4**	**2,719**	–
Finance costs	**6**	**84,654**	66,831
Income tax expense	**10**	**(48,656)**	(35,424)
		1,141,482	869,689
Working capital adjustments			
Increase in trade and other receivables	**15**	**(301,081)**	(509,805)
Increase in trade and other payables	**22**	**47,089**	95,243
Increase/(decrease) in deferred income, including government grants		**57,806**	(16,233)
Cash generated from operations		**945,296**	438,894
Income taxes received/(paid)	**10**	**131,421**	(26,842)
Net cash flow from operating activities		**1,076,717**	412,052
Cash flows from investing activities			
Acquisitions of property, plant and equipment		**(63,947)**	(99,000)
Proceeds from sale of property, plant and equipment		**957**	–
Acquisition of intangible assets	**12**	**(732,700)**	(517,350)
Purchase of investment		**(13,985)**	–
Net cash flows from investing activities		**(809,675)**	(616,350)
Cash flows from financing activities			
Interest paid	**6**	**(53,646)**	(66,831)
Proceeds from other borrowing draw downs		**(1)**	712
Repayment of other borrowing		**(240,000)**	(441,694)
Foreign exchange (gains)/losses	**6**	**(31,008)**	–
Net cash flows from financing activities		**(324,655)**	(507,813)
Net decrease in cash and cash equivalents		**(57,613)**	(712,111)
Cash and cash equivalents at 1 July		**516,302**	1,228,413
Effect of exchange rate fluctuations on cash held		**36,302**	–
Cash and cash equivalents at 30 June		**494,991**	516,302

The notes on pages 15 to 32 form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2016

Company Number 02004015

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit/(loss) for the year		**7,206**	(59,335)
Adjustments to cash flows from non-cash items			
Finance income	**6**	**(53,646)**	(66,831)
Finance costs	**6**	**53,646**	66.831
Income tax expense	**10**	**–**	50,000
		7,206	(9,335)
Working capital adjustments			
Decrease in trade and other receivables	**15**	**12,565**	3,025
(Decrease)/Increase in trade and other payables	**22**	**(2,731)**	15,173
Net cash flow from operating activities		**17,040**	8,863
Cash flows from investing activities			
Interest received	**6**	**53,646**	66,831
Cash flows from financing activities			
Interest paid	**6**	**(53,646)**	(66,831)
Proceeds from other borrowing draw downs		**210,514**	420,880
Repayment of other borrowing		**(240,000)**	(441,694)
Net cash flows from financing activities		**(83,132)**	(87,645)
Net decrease in cash and cash equivalents		**(12,446)**	(11,951)
Cash and cash equivalents at 1 July		**12,605**	24,556
Cash and cash equivalents at 30 June		**159**	12,605

The notes on pages 15 to 32 form an integral part of these financial statements.

1 GENERAL INFORMATION

The company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:
G.02 Albert House
Old Street
London EC1V 9DD

These financial statements were authorised for issue by the Board on 1 March 2017.

2 ACCOUNTING POLICIES

Statement of compliance
The group financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the EU ("adopted IFRS's").

Summary of significant accounting policies and key accounting estimates
The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

In the application of these policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from these estimates.

The directors do not consider there are any critical judgements or key sources of estimation uncertainty made in the process of applying the entity's accounting policies and the amounts recognised in the financial statements.

Basis of preparation
The financial statements have been prepared in accordance with adopted IFRSs and under historical cost accounting rules.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies.

The presentational currency used in this report is Pound Sterling (£).

Going concern
The financial statements have been prepared on a going concern basis.

Basis of consolidation
The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2016. Asite LLC has not been consolidated by virtue of it being immaterial to the group.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

2 ACCOUNTING POLICIES (continued)

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006. The company made a profit/(loss) after tax for the financial year of £7,206 (2015 - £(59,335)).

Changes in accounting policy

None of the standards, interpretations and amendments which are effective for periods beginning after 1 July 2015 and which have not been adopted early, are expected to have a material effect on the financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the group activities.

The Group typically enters into multi-element arrangements which include software licence fees, consultancy and training services. Revenue is allocated to the elements of the arrangement based upon the fair value of each element.

The Group sells a licence for access to its products which are hosted from the Group's dedicated servers. The licence fees grant access to web space for the duration of the customer's project and include maintenance and support. The revenue for the licence is recognised on an accruals basis to match the period of use by the customer until the end of the contract. The unrecognised element is included within 'deferred income' and the amount recognised prior to billing is included within 'amounts recoverable on contracts'.

Training revenue relates to customer training to use the product. Consultancy revenue relates to the initial tailoring of the product to match the needs of the project and on-going consultancy work provided to the customer post implementation. Revenue is recognised on the consulting and training fees based on fixed daily rates as the service is provided. The fixed daily rates are predetermined at the contract signing date.

2 ACCOUNTING POLICIES (continued)

Foreign currency transactions and balances
Items included in the separate financial statements of the Group entities are measured in the functional currency of each entity. Transactions denominated in foreign currencies are translated into the functional currency of the Group at the rates prevailing at the dates of the individual transactions. Foreign currency monetary assets and liabilities are translated at the rates prevailing at the Statement of Financial Position date. Exchange gains and losses arising are charged or credited to net operating costs or foreign exchange in administrative expenses in the Income Statement, as appropriate. The Income Statement and Statement of Financial Position of foreign entities are translated into Pounds Sterling on consolidation at the average rates for the period and the rates prevailing at the Statement of Financial Position date respectively. The resulting exchange gains or losses are dealt with in total equity and liabilities.

Tax
The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Property, plant and equipment
Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Income Statement.

Depreciation
Depreciation is charged, to administrative expenses, so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures and fittings	3 to 15 years straight line
Plant and equipment	3 to 15 years straight line

2 ACCOUNTING POLICIES (continued)

Intangible assets
Research expenditure is written off as an expense in the period in which it is incurred. Development expenditure is written off as incurred unless it meets the recognition criteria of an intangible asset, as defined by International Accounting Standard 38 (Intangible Assets) ("IAS 38"), in which case it would be recognised as an asset of the Group. Capitalised development expenditure is amortised to administrative expenses on a straight line basis over the useful economic life once the related product or enhancement is available for use.

Website costs are stated at cost, net of amortisation and any provisions for impairment.

The intangible assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each Statement of Financial Position date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the Income Statement.

Amortisation
Amortisation is charged to administrative expenses and is provided on intangible assets so as to write off the cost, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Amortisation method and rate
Website costs	3 years straight line
Development costs	5 years straight line

Investments
Investments in securities are classified on initial recognition as available-for-sale and are carried at fair value, except where their fair value cannot be measured reliably, in which case they are carried at cost, less any impairment.

Unrealised holding gains and losses other than impairments are recognised in other comprehensive income. On maturity or disposal, net gains and losses previously deferred in accumulated other comprehensive income are recognised in income.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Trade receivables
Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

2 ACCOUNTING POLICIES (continued)

Trade payables
Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings
All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the income statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in finance costs.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Provisions
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Leases
Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Share capital
Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

2 ACCOUNTING POLICIES (continued)

Employee benefits

The group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options and shares is recognised as an expense. The fair value of options is estimated using a Black-Scholes pricing model. The total amount to be expensed over the vesting period is determined by the fair value of the options and shares granted, excluding the impact of any non-market vesting conditions (for example, earnings per share growth). Non-market vesting conditions are included in assumptions about the number of options and shares that are expected to become exercisable. At each Statement of Financial Position date, the group revises its estimates of the number of options and shares that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in the Income Statement. At the vesting date of an award, the cumulative expense is adjusted to take account of the awards that actually vest. The group grants share options to employees of subsidiary companies.

Financial assets and liabilities

Classification

The group's financial instruments comprise cash balances, a loan facility and various items such as trade debtors and trade creditors that arise from the normal course of business. There were no other financial assets other than trade receivables.

3 REVENUE

The analysis of the group's revenue for the year from continuing operations is as follows:

	2016 £	2015 £
Sales - UK	4,734,320	4,122,903
Sales - Middle East	65,048	16,000
Sales - Australasia	438,988	519,000
Sales - Europe	248,498	155,000
Sales - India	106,902	78,000
Sales - North America	423,579	377,000
Sales - Rest of World	24,930	21,000
Other revenue	4,432	-
	6,046,697	5,288,903

4 OTHER GAINS AND LOSSES

The analysis of the group's other gains and losses for the year is as follows:

	2016 £	2015 £
Gain (loss) on disposal of property, plant and equipment	(2,719)	-

5 OPERATING PROFIT

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation expense	79,787	87,850
Amortisation expense	66,281	24,580
Foreign exchange losses	31,008	-
Operating lease expense - property	179,293	105,589
Loss on disposal of property, plant and equipment	2,719	-

6 FINANCE INCOME AND COSTS

	2016 £	2015 £
Finance costs		
Interest expense on other financing liabilities	(53,646)	(66,831)
Foreign exchange losses	(31,008)	-
Total finance costs	(84,654)	(66,831)

7 STAFF COSTS

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	2,769,395	2,650,893
Social security costs	151,806	150,700
Pension costs, defined contribution scheme	99,087	10,043
	3,020,288	2,811,636

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Professional services	13	9
Sales and account managers	9	7
Technical	195	155
Finance and administration	10	10
	227	181

8 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	407,359	590,372

In respect of the highest paid director:

	2016 £	2015 £
Remuneration	281,503	301,326

9 AUDITORS' REMUNERATION

	2016 £	2015 £
Audit of these financial statements	9,000	8,750

The maximum aggregate liability of the auditors shall not exceed £250,000.

10 INCOME TAX

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	(142,311)	(108,000)
Foreign tax	95,478	26,842
Total current income tax	(46,833)	(81,158)
Deferred taxation		
Arising from origination and reversal of temporary differences	(1,823)	45,734
Tax receipt in the income statement	(48,656)	(35,424)

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20.75%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	908,041	690,428
Corporation tax at standard rate	181,608	143,264
Increase (decrease) from effect of capital allowances depreciation	(39,498)	(60,000)
Increase (decrease) from effect of expenses not deductible in determining taxable profit (tax loss)	11,555	10,000
Tax decrease from utilisation of tax losses	-	50,000
Increase (decrease) from effect of unrelieved tax losses carried forward	(2,847)	2,000
Increase (decrease) from effect of foreign tax rates	35,096	3,000
Increase (decrease) from effect of adjustment in research development tax credit	(248,159)	(183,688)
Other tax effects for reconciliation between accounting profit and tax expense (income)	13,589	-
Total tax credit	(48,656)	(35,424)

Deferred tax

Group

Deferred tax assets and liabilities

2016	Asset £	Liability £	Net deferred tax £
Accelerated tax depreciation	-	(11,476)	(11,476)
Tax losses carry-forwards	30,000	-	30,000
	30,000	(11,476)	18,524

2015	Asset £	Liability £	Net deferred tax £
Accelerated tax depreciation	-	(13,299)	(13,299)
Tax losses carry-forwards	30,000	-	30,000
	30,000	(13,299)	16,701

10 INCOME TAX (continued)

Deferred tax movement during the year:

	At 1 July 2015 £	Recognised in income £	At 30 June 2016 £
Accelerated tax depreciation	(13,299)	1,823	(11,476)
Tax losses carry-forwards	30,000	-	30,000
Net tax assets	16,701	1,823	18,524

Deferred tax movement during the prior year:

	At 1 July 2014 £	Recognised in income £	At 30 June 2015 £
Accelerated tax depreciation	(16,687)	3,388	(13,299)
Tax losses carry-forwards	80,000	(50,000)	30,000
Net tax assets	63,313	(46,612)	16,701

There are £170,422 of deductible temporary differences (2015 - £214,701) and £4,128,625 of unused tax losses (2015 - £4,345,007) for which no deferred tax asset is recognised in the statement of financial position.

Company

Deferred tax assets and liabilities

2016	Asset £
Tax losses carry-forwards	30,000

2015	£
Tax losses carry-forwards	30,000

Deferred tax movement during the year:

	At 1 July 2015 £	At 30 June 2016 £
Tax losses carry-forwards	30,000	30,000

Deferred tax movement during the prior year:

	At 1 July 2014 £	Recognised in income £	At 30 June 2015 £
Tax losses carry-forwards	80,000	(50,000)	30,000

11 PROPERTY, PLANT AND EQUIPMENT

Group	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
Cost or valuation			
At 1 July 2014	114,647	308,191	422,838
Additions	46,178	52,822	99,000
Disposals	–	(12,105)	(12,105)
At 30 June 2015	**160,825**	**348,908**	**509,733**
At 1 July 2015	160,825	348,908	509,733
Additions	5,713	58,234	63,947
Disposals	(4,637)	(22,634)	(27,271)
At 30 June 2016	**161,901**	**384,508**	**546,409**
Depreciation			
At 1 July 2014	16,664	104,567	121,231
Charge for year	17,845	82,295	100,140
Eliminated on disposal	–	(12,105)	(12,105)
At 30 June 2015	**34,509**	**174,757**	**209,266**
At 1 July 2015	34,509	174,757	209,266
Charge for the year	17,144	62,642	79,786
Eliminated on disposal	(3,092)	(20,503)	(23,595)
At 30 June 2016	**48,561**	**216,896**	**265,457**
Carrying amount			
At 30 June 2016	113,340	167,612	280,952
At 30 June 2015	126,316	174,151	300,467
At 1 July 2014	97,983	203,624	301,607

12 INTANGIBLE ASSETS

Group	Internally generated software development costs £	Other tangible assets £	Total £
Cost or valuation			
At 1 July 2014	–	24,100	24,100
Additions	477,790	39,560	517,350
At 30 June 2015	**477,790**	**63,660**	**541,450**
At 1 July 2015	477,790	63,660	541,450
Additions	732,700	–	732,700
At 30 June 2016	**1,210,490**	**63,660**	**1,274,150**
Amortisation			
At 1 July 2014	–	15,884	15,884
Amortisation charge	–	12,290	12,290
At 30 June 2015	–	28,174	28,174
At 1 July 2015	–	28,174	28,174
Amortisation charge	52,928	13,353	66,281
At 30 June 2016	**52,928**	**41,527**	**94,455**
Carrying amount			
At 30 June 2016	1,157,562	22,133	1,179,695
At 30 June 2015	477,790	35,486	513,276
At 1 July 2014	–	8,216	8,216

13 INVESTMENTS

Group subsidiaries
Details of the group subsidiaries as at 30 June 2016 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held by the group 2016	2015
Asite Solutions Limited*	Web based portal and services	England and Wales	99.44%	99.44%
Asite Solutions Private Limited	Web based portal and services	India	99.7%	99.7%
Asite LLC	Web based portal and services	United States of America	100%	100%

*indicates direct investment of the company

Composition of the group
Details of the composition of the group as at 30 June 2016 are as follows:

Principal activity	Counry of incorporation	Number of wholly-owned subsidiaries 2016	2015
Web based portal and services	England and Wales	1	1
Web based portal and services	India	1	1
Web based portal and services	United States of America	1	–
		3	2

Asite LLC

The financal period end for Asite LLC is 30 June 2017

Summary of the company investments

	2016 £	2015 £
Investments in subsidiaries	65,094	65,094

Subsidiaries	**£**
Cost or valuation	
At 1 July 2014	65,094
At 30 June 2015	65,094
At 1 July 2015	65,094
At 30 June 2016	65,094
Carrying amount	
At 30 June 2016	65,094
At 30 June 2015	65,094
At 1 July 2014	65,094

14 OTHER FINANCIAL ASSETS

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Non-current financial assets				
Loans to subsidiaries	–	–	**694,088**	904,602

15 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Trade receivables	**1,791,667**	1,580,856	**–**	–
Provision for impairment of trade receivables	**(4,737)**	(4,737)	**–**	–
Net trade receivables	**1,786,930**	1,576,119	**–**	–
Receivables from related parties	**3,865**	–	**252,435**	240,000
Prepayments	**304,959**	238,510	**–**	–
Other receivables	**89,497**	69,541	**–**	25,000
Income tax asset	**227,531**	312,119	**–**	–
Total current trade and other receivables	**2,412,782**	2,196,289	**252,435**	265,000

The fair value of those trade and other receivables classified as financial instrument loans and receivables are disclosed in the financial instruments note.

The group's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other receivables is disclosed in the financial risk management and impairment note.

Trade receivables above include amounts (detailed below) that are past due at the end of the reporting period and which an allowance for doubtful debts has not been recognised as the amounts are still considered recoverable and there hasn't been a significant change in credit quality.

Age of trade receivables that are past due but not impaired	Group		Company	
	2016 £	2015 £	2016 £	2015 £
91 to 120 days	**36,886**	31,928	**–**	–
3 to 6 months	**162,853**	36,410	**–**	–
6 months to 1 year	**73,590**	32,564	**–**	–
Over 1 year	**61,147**	10,145	**–**	–
	334,476	111,047	**–**	–
Average age (days)	**258**	213	**–**	–

16 CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 £	2015 £	2016 £	2015 £
Cash at bank	**494,991**	516,302	**159**	12,605

17 SHARE CAPITAL

Allotted, called up and fully paid shares

	2016		2015	
	No.	**£**	**No.**	**£**
New ordinary shares of £0.01 each	**10,291,063**	**102,911**	10,291,063	102,911
New B shares of £0.01 each	**10,958,501**	**109,585**	10,958,501	109,585
Deferred shares of £0.99 each	**18,749,564**	**18,562,068**	18,749,564	18,562,068
	39,999,128	**18,774,564**	39,999,128	18,774,564

The company's authorised share capital is £42,500,000, which is comprised of new ordinary shares of £0.01 each, new B shares of £0.01 each and deferred shares of £0.99 each.

Rights, preferences and restrictions
New ordinary shares have the following rights, preferences and restrictions:

New ordinary shares have one voting right per share, equal rights to dividend entitlements and the priority to receive funds on the winding up of the company.

New B shares have the following rights, preferences and restrictions:

New B shares do not have voting rights. New B shares have the same rights as the new ordinary shares with respect to dividend entitlements and the priority to receive funds on the winding up of the company.

Deferred shares have the following rights, preferences and restrictions:

Deferred shares have no voting or attendance rights. Deferred shares have no right to receive dividends. On a return of capital or the winding up of the company, each deferred share is entitled to its par value after each new ordinary share and new B share has received repayment of capital plus £1,000,000.

18 LOANS AND BORROWINGS

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Non-current loans and borrowings				
Other borrowings	**970,000**	**1,210,000**	970,000	1,210,000

	Group		Company	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Current loans and borrowings				
Other borrowings	**240,000**	**240,000**	240,000	240,000

Group

Other borrowings
The loan is from R20 Limited and has been drawn down against the company's loan facility agreement. The amounts drawn down against the facility were interest free until 31 May 2013, but now carry a charge of 4% per annum. The loan is to be repaid in full by 2 April 2018. There is a fixed charge held over the intellectual property assets of the group.

The loans and borrowings classified as financial instruments are disclosed in the financial instruments note.

The group's exposure to market and liquidity risks, including maturity analysis, in respect of loans and borrowings is disclosed in the financial risk management and impairment note.

19 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

Group
Operating leases

The total future value of minimum lease payments is as follows:

	2016 £	2015 £
Within one year	**204,383**	102,000
In two to five years	**42,917**	93,000
	247,300	195,000

The amount of non-cancellable operating lease payments recognised as an expense during the year was £Nil (2015 – £Nil)

20 PENSION AND OTHER SCHEMES

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £99,087 (2015 - £10,043).

21 SHARE-BASED PAYMENTS

Enterprise Management Incentive scheme (EMI)

Scheme details and movements

Under the group's Enterprise Management Incentive scheme (EMI), share options are granted to executive directors and selected employees. The exercise price of the granted options is 1p per ordinary share. Options are exercisable on disposal or flotation of the company and there is a ten year option exercise period from the grant date of March 2011. The group has no legal or constructive obligation to repurchase or settle the options in cash. In calculating the fair value of these options no other market related performance conditions have been used. The fair value of the share based payment expense was £nil (2015 - £nil).

The movements in the number of share options during the year were as follows:

	2016 Number	2015 Number
Outstanding, start of period	**12,420,711**	12,420,711
Forfeited, during the period	**(100,000)**	–
Outstanding, end of period	**12,320,711**	12,420,711

The movements in the weighted average exercise price of share options during the year were as follows:

The weighted average share price at date of exercise of share options exercised during the year was £0.01 (2015 - £0.01).

Outstanding share options

Details of share options outstanding at the end of the year are as follows:

	2016	2015
Number of share options outstanding	**12,320,711**	12,420,711
Expected weighted average remaining life (years)	**5.00**	6.00

21 SHARE-BASED PAYMENTS (continued)

Fair value of options granted

The option pricing model used was the Black-Scholes model.

In line with IFRS 2 and for the purposes of estimating the charge for share based payments, the following assumptions were used in valuing the 2011 share options awarded under the Black-Scholes option pricing model:

- Share price at grant of £0.01
- Exercise price, under the option contracts of £0.01 per share
- 10 year option exercise period
- An expected share price volatility of 70% based on the average volatility of the FTSE techMARK listed companies and the likelihood of a disposal of the company in the next ten years
- An expected dividend yield of £nil
- A risk free interest rate of 4.5% based on the implied yield on zero coupon government bonds.

22 TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	**2016**	2015
	£	£	**£**	£
Trade payables	**142,352**	179,251	**6,671**	20,213
Accrued expenses	**368,348**	349,941	**22,933**	24,589
Social security and other taxes	**243,125**	199,388	**(322)**	(354)
Other payables	**157,303**	135,459	**12,435**	–
	911,128	864,039	**41,717**	44,448

The fair value of the trade and other payables classified as financial instruments are disclosed in the financial instruments note.

The group's exposure to market and liquidity risks, including maturity analysis, related to trade and other payables is disclosed in the financial risk management and impairment note.

23 COMMITMENTS

Group

Capital commitments
The total amount contracted for but not provided in the financial statements was £Nil (2015 - £Nil).

Company

Capital commitments
The total amount contracted for but not provided in the financial statements was £Nil (2015 - £Nil).

24 CONTINGENT LIABILITIES

Group
The group does not have any contingent liabilities (2015 - £nil).

Company
The company does not have any contingent liabilities (2015 - £nil).

25 FINANCIAL RISK MANAGEMENT AND IMPAIRMENT OF FINANCIAL ASSETS

Group
The Board is charged with managing the various risk exposures.

Credit risk
The group believes that its maximum credit risk at any one time is represented by the value of its trade receivables. In relation to credit risk to financial institutions, the group does have significant cash deposits, however the Board believes this risk to be minimal. The group manages customer credit risk through the use of credit reports and appropriate contractual documentation. Collections are tracked monthly and where payments are overdue appropriate action is taken on a timely basis.

Foreign exchange risk
The group's revenue is substantially Sterling based, accordingly, foreign currency exposure risk to this is minimal. Costs incurred in the group's operations in India are Rupee based. Currency exposures arising from holding cash deposits in Indian Rupees are not considered to be material. The group does not hedge against these currency risks. The value of assets held in the group's Indian subsidiary is minimal, as are this company's reserves. Accordingly the Board believes that the currency exposure on translation is minimal.

Interest rate risk
Loans advanced to the group by R20 Limited were interest free for the minimum term, being until 31 May 2013. Thereafter interest has been charged at the rate of 4% per annum. The group does not envisage hedging against this risk. Accordingly, the group believes that the interest rate risk to which the group is exposed is minimal.

Liquidity risk
The group's approach to liquidity risk is to ensure that sufficient liquidity is available to meet foreseeable requirements and to invest funds securely and profitably.

The loan is from R20 Limited and has been drawn down against the company's loan facility agreement.

Capital management
The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings including "current and non-current borrowings" less cash and cash equivalents. Total capital is calculated as "equity" as shown in the Consolidated Statement of Financial Position plus net debt.

26 RELATED PARTY TRANSACTIONS

Key management personnel
Directors.

Summary of transactions with key management
Key management compensation has been disclosed in note 8 Directors' remuneration.

Summary of transactions with other related parties
Companies in which the directors of Asite Ltd are shareholders and directors

26 RELATED PARTY TRANSACTIONS (continued)

Income and receivables from related parties

2016	Key management £	Other related parties £
Receipt of services	**3,600**	64,096
Amounts receivable from related party	**8,640**	71,438

2015	Key management £	Other related parties £
Receipt of services	**3,600**	17,750
Amounts receivable from related party	**16,820**	65,565

Expenditure with and payables to related parties

2016	Other related parties £
Rendering of services	326,704

2015	Other related parties £
Rendering of services	306,612

Loans from related parties

2016	Other related parties £
At start of period	1,450,000
Repaid	(293,646)
Interest charged	53,646
At end of period	1,210,000

2015	Other related parties £
At start of period	1,891,694
Repaid	(508,525)
Interest charged	66,831
At end of period	1,450,000

27 PARENT AND ULTIMATE PARENT UNDERTAKING

The ultimate controlling party is the Tchenguiz Discretionary Trust.

28 NON ADJUSTING EVENTS AFTER THE FINANCIAL PERIOD

After the reporting date Asite Limited incorporated a new subsidiary, Asite Australia.

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